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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549Washington, DC
109ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: High Securities, Ltd.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1853 William Penn Way

(No. and Street)

Lancaster

(City)

PA

(State)

17605-0008

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Derry Young

717-299-5284

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PARENTEBEARD LLC.

(Name - if individual, state last, first, middle name)

Suite 301, 1869 Charter Lane

(Address)

Lancaster

(City)

PA

(State)

17601

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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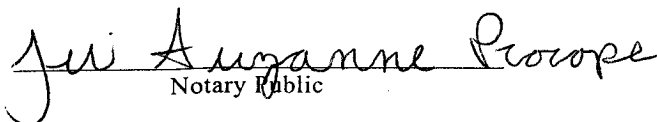
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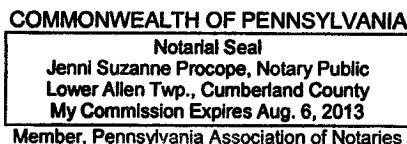
OATH OR AFFIRMATION

I, Derry Young, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of High Securities, Ltd., as of December 31, 20 09, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

Registered Principal
Title


Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

Independent Auditors' Report

To the Board of Directors
High Securities, Ltd.

We have audited the accompanying balance sheets of High Securities, Ltd. (a Pennsylvania S-Corporation) as of December 31, 2009 and 2008, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended that you are filing pursuant to the Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of High Securities, Ltd. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ParenteBeard LLC

Lancaster, Pennsylvania
February 5, 2010

High Securities, Ltd.

Balance Sheets

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 89,759	\$ 85,109
Prepaid expenses	<u>1,743</u>	<u>1,993</u>
Total Assets	<u>\$ 91,502</u>	<u>\$ 87,102</u>
Liabilities & Stockholder's Equity		
Current Liabilities		
Accounts Payable - High Associates	<u>\$ 554</u>	<u>\$ -</u>
Total Current Liabilities	<u>554</u>	<u>-</u>
Stockholder's Equity		
Common stock, \$0.01 par value - 10,400 shares authorized and issued	104	104
Paid-in capital	189,001	189,001
Retained earnings (accumulated deficit)	(71,762)	(75,608)
Less - cost of treasury stock (3,016 shares)	<u>(26,395)</u>	<u>(26,395)</u>
Total Stockholder's Equity	<u>90,948</u>	<u>87,102</u>
Total Liabilities & Stockholder's Equity	<u>\$ 91,502</u>	<u>\$ 87,102</u>

See notes to financial statements.

High Securities, Ltd.

Statements of Operations

Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenue		
Interest	\$ 665	\$ 535
Professional services	<u>28,000</u>	<u>-</u>
Total Revenue	<u>28,665</u>	<u>535</u>
Expenses		
Legal and professional	5,267	6,437
Office and administrative	15,023	60,000
Regulatory fees	<u>4,529</u>	<u>4,379</u>
Total Expenses	<u>24,819</u>	<u>70,816</u>
Net Income (Loss)	<u>\$ 3,846</u>	<u>\$ (70,281)</u>

See notes to financial statements.

High Securities, Ltd.

Statements of Changes in Stockholder's Equity Years Ended December 31, 2009 and 2008

	Common Stock - Common Shares	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock - Common Shares	Cost of Treasury Stock - Common	Total
Balances - December 31, 2007	10,400	\$ 104	\$ 114,001	\$ (5,327)	3,016	\$ (26,395)	\$ 82,383
Capital contributions	-	-	75,000	-	-	-	75,000
Net loss	-	-	-	(70,281)	-	-	(70,281)
Balances - December 31, 2008	10,400	104	189,001	(75,608)	3,016	(26,395)	87,102
Net income	-	-	-	3,846	-	-	3,846
Balances - December 31, 2009	10,400	\$ 104	\$ 189,001	\$ (71,762)	3,016	\$ (26,395)	\$ 90,948

See notes to financial statements.

High Securities, Ltd.

Statements of Cash Flows

Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Net income (loss)	\$ 3,846	\$ (70,281)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Decrease in Prepaid Expenses	250	149
Increase in Accounts Payable - High Associates	<u>554</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	4,650	(70,132)
Cash Flows Provided by Financing Activities		
Capital contribution	<u>-</u>	<u>75,000</u>
Net Increase in Cash and Cash Equivalents	4,650	4,868
Cash and Cash Equivalents - Beginning	<u>85,109</u>	<u>80,241</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 89,759</u></u>	<u><u>\$ 85,109</u></u>

See notes to financial statements.

Note 1 - Company Operations

The Company was formed on October 17, 1985, for the purpose of registering as a broker-dealer selling interests in direct participation and capital raising programs. The Company sells these interests primarily to individual investors in the Mid-Atlantic states on behalf of related parties.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Company operates under the exemptive provisions of Paragraph (k)(2)(i) of Rules 15c3-3 of the Securities and Exchange Commission, which provide that the provisions of this section shall not be applicable to a broker or dealer who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and his customers through one or more designated bank accounts.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all investments in highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes

By consent of its stockholder, the Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and the Commonwealth of Pennsylvania. Under those provisions, the Company does not pay federal or state corporate income taxes on its income. The stockholder is liable for individual federal and state income taxes on the Company's taxable income. Consequently, no provision for income taxes has been presented in the financial statements. There are no differences between the tax bases of the Company's assets and liabilities and the amounts reported in the financial statements.

Effective January 1, 2008, the Company adopted accounting standards for uncertainty in income taxes. The standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the Company's implementation of these standards, no significant income tax uncertainties were identified. Therefore, the Company recognized no adjustment for unrecognized income tax benefits for the year ended December 31, 2008. The Company's policy is to recognize interest and penalties on unrecognized tax benefits in income taxes expense in the statements of operations. As of December 31, 2009, the Company has no material unrecognized tax benefits or accrued interest and penalties.

Note 2 - Summary of Significant Accounting Policies - Continued

Income Taxes - Continued

Years that remain open for potential review by the Internal Revenue Service and Pennsylvania Department of Revenue are 2006 through 2008.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In June 2009, the Financial Accounting Standards Board (FASB) issued a new accounting standard related to subsequent events. During 2009, the Company adopted the standard, which provides guidance on accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The adoption of this standard did not have a material effect on the Company's financial statements.

The Company has evaluated subsequent events through February 5, 2010, which is the date the financial statements were available to be issued.

Note 3 - Statement of Changes in Liabilities Subordinated to Claims of General Creditors

The Company had no liabilities subordinated to the claims of general creditors for either 2009 or 2008 and, consequently, the financial statements have not presented the Statement of Changes in Liabilities Subordinated to Claims of General Creditors.

Note 4 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2009 and 2008, the Company had net capital of \$89,205 and \$85,109, respectively, which was \$84,205 and \$80,109 in excess of its required net capital of \$5,000 in 2009 and 2008, respectively. The Company's aggregate indebtedness to net capital ratio was .006 to 1 in 2009 and 0 to 1 in 2008.

High Securities, Ltd.

Notes to Financial Statements

December 31, 2009 and 2008

Note 5 - Related Party Transactions

High Securities, Ltd. has a contract with a related party to receive various administrative services. Total expenses related to this contract were \$15,000 and \$60,000 for 2009 and 2008, respectively. In addition, the Company reimburses the related party for any direct expenses incurred on its behalf. At December 31, 2009 and 2008, the amounts payable to the related party for administrative services and direct expense reimbursement were \$554 and \$0, respectively.

Beginning in 2009, High Securities, Ltd. has an agreement with a related party to maintain, and provide upon request, up-to-date lists of potential investors in capital raising programs. Total revenue under this agreement amounted to \$28,000 and \$0 in 2009 and 2008, respectively.

The agreements between the Company and related party are not the result of arms-length negotiations.

Note 6 - Cash Risk

At times during the years ended December 31, 2009 and 2008, cash balances may have exceeded the federally insured limit of \$250,000. As of December 31, 2009 and 2008, bank balances did not exceed FDIC coverage.

High Securities, Ltd.

Computation of Aggregate Indebtedness and Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Total Stockholder's Equity	\$ 90,948	\$ 87,102
Non-allowable assets: Prepaid expenses	<u>(1,743)</u>	<u>(1,993)</u>
Net Capital	<u>\$ 89,205</u>	<u>\$ 85,109</u>
Aggregate Indebtedness - Total Liabilities	<u>\$ 554</u>	<u>\$ -</u>
Computation of Basic Net Capital Requirement - Minimum Net Capital Required (Greater of \$5,000 or 6 2/3% of Aggregate Indebtedness)	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Net Capital in Excess of Minimum Requirement	<u>\$ 84,205</u>	<u>\$ 80,109</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>.006 to 1</u>	<u>0 to 1</u>

Statement Pursuant to Rule 17a-5(d)(4)

Since there are no differences between the net capital computation on Part II A of the Company's Form X-17A-5 and the net capital computed above, reconciliation is not necessary.

High Securities, Ltd.

**Computation for Determination of Reserve Requirements and Information Relating
to the Possession or Control Requirements Under Rule 15c3-3 of the Securities and
Exchange Commission
December 31, 2009**

Schedule II

**Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
as of December 31, 2009**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

Schedule III

**Information Relating to the Possession or Control Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
as of December 31, 2009**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

**Independent Auditors' Report on
Internal Control Required by SEC Rule 17a-5(g)(1)
for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

To the Board of Directors
High Securities, Ltd.

In planning and performing our audit of the financial statements of High Securities, Ltd. (the Company) as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To the Board of Directors
High Securities, Ltd.

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2009 and 2008, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended and should not be used by anyone other than these specified parties.

Parente Beard LLC

Lancaster, Pennsylvania
February 5, 2010

High Securities, Ltd.

Financial Statements

December 31, 2009 and 2008

High Securities, Ltd.

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December 31, 2009 and 2008

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